GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:380
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EARNINGS FROM TEXTILES EXPORT
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Will the Minister of TEXTILES be pleased to state:

(a) whether the country earns foreign exchange by exporting textiles;

(b) if so, the year-wise details of foreign exchange earned by said exports during the years 1998-99, 1999-2000 and 2000-2001;

(c) the year-wise and percentage-wise details of the said foreign exchange earned as compared to the entire foreign exchange earned during the aforesaid years; and

(d) the additional incentives announced by the Government during the aforesaid years for promoting exports with regard to the textile industry?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) to c) The value of textile exports from the country and foreign exchange earned as compared to the entire foreign exchange earned during the years 1998-99, 1999-2000 and 2000-2001 are given below :-

(in US$ Million)

Year	Textiles including Jute, Coir and Handicrafts	Overall Exports	Textile Exports as %age of total exports
1998-99	9548.2	33641.5	28.4%
1999-2000	10508.5	36805.4	28.6%
2000-2001	12097.4	44103.8	27.4%

Source : DGCI&S, Calcutta

(d) Various facilities such as duty drawback, concessional rate of duty for import of machineries under EPCG Scheme, allowing import of restricted items under the Advance Licence Scheme of the Export-Import Policy, duty free import of essential items of trimmings & embellishments like fastners, polywadding, labels, tags, buttons, hangers, stickers, polybags and lining and interlining materials, full/partial exemption under 80 HHC of Income Tax has been allowed.

Government have also been taking several steps from time to time to strengthen and promote textile exports. Some of the important initiatives are:-

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector.

ii) A provision of Rs.10 crores has been earmarked in the R.E. 2001-02 for creating clusters of excellence, i.e. apparel parks for production and export of garments. Besides, a provision of Rs. 10 crores has also been made in R.E. 2001-02 for scheme for improvement of infrastructure facilities at major textile production centres.

iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade. Inter Ministerial Committee to resolve the issues pertaining to assistance under TUFS has been constituted.

iv) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%.

v) Technology Mission for Cotton has been launched for initiating focussed steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

vi) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

vii) The import of a large number of garment machinery has been allowed under concessional custom duty of 5%.

viii) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%.

ix) Allowing foreign equity participation upto 100% through automatic route, in the textile sector with certain exceptions.

x) To prepare and sensitise our textile and garment industry to conform to the ecological requirements of improving countries by providing facilities by way of eco-testing laboratories.

xi) The National Textile Policy - 2000 (NTxP-2000) has been announced to provide the policy direction for orderly and sustained development and growth of the textile industry in a harmonious way and to give a thrust to textile exports.

xii) DEPB rates for certain textile products have been rationalised.

xiii) A programme has been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

xiv) The following relaxations under the Quota Policy have been recently announced.

- Large additional quantities are being opened for most of the categories under the FCFS/RGE systems of the Quota Policies with a view to providing quotas to the garment and textile exporters on a continuos basis.

- In order to reduce transaction costs and time of the exporters, EMD/BG amounts were reduced during 2001 for certain categories and the date for utilising quotas were extended. Further, the L/C condition under the FCFS system was also waived for all such categories which had quantities left over for the rest of the year.